



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

VIA FIRST CLASS MAIL

OCT 31 2006

Brian Svoboda, Esq.
Perkins Coie LLP
607 Fourteenth Street, N.W.
Washington, D.C. 20005
Facsimile (202) 434-1690

RE: MUR 5492
Freedom, Inc.

Dear Mr. Svoboda:

On October 10, 2006, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of violation of 2 U.S.C. §§ 433, 434, 441b(a), 441a(f) and 441d, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the first payment of the civil penalty is due within 30 days, and the remainder within 90 days, of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Guith".

Kathleen Guith
Acting Assistant General Counsel

Enclosure
Conciliation Agreement

26044152758

BEFORE THE FEDERAL ELECTION COMMISSION

Freedom, Inc. and its treasurer

)
)
)
)

MUR 5492

CONCILIATION AGREEMENT

This matter was generated by a complaint filed with the Federal Election Commission by Gale Banks.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

Background

1. Freedom, Inc., which was established in 1962, is a local non-profit political organization incorporated under the laws of Missouri, whose principal mission is to maximize the political strength of the African-American population within the city of Kansas City, Missouri through grassroots political efforts.

Conciliation Agreement
MUR 5492
Page 2

2. Freedom, Inc. is registered with the Missouri Ethics Commission as a state political committee and files regular reports disclosing its receipts and disbursements pursuant to state law.

3. Eugene Standifur, Jr. is Freedom, Inc.'s current treasurer under Missouri state law. William Carson was Freedom, Inc.'s designated treasurer under Missouri state law until August 2004.

4. In the 2004 election cycle, Emanuel Cleaver II, a former Freedom, Inc. board member, was a candidate for the United States House of Representatives in the 5th Congressional District of Missouri in both the Democratic Party primary and the General Election.

Applicable Law

5. The Federal Election Campaign Act of 1971, as amended ("the Act"), defines a political committee as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. § 431(4)(A). In *Buckley v. Valeo*, 424 U.S. 1, 79 (1976), the Supreme Court, to avoid overbreadth, construed the Act's references to "political committee" to "encompass organizations that are under the control of a candidate or the major purpose of which is the nomination or election of a candidate." See also *FEC v. Massachusetts Citizens for Life*, 479 U.S. 238, 262 (1986).

6. The Act defines the term "contribution" as including "anything of value made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(8)(A)(i).

MUR 5492
Conciliation Agreement
Page 3

1 7. The Act defines the term "expenditure" as including "anything of value, made by
2 any person for the purpose of influencing any election for Federal office;" 2 U.S.C.
3 § 431(9)(A)(i).

4 8. The Act requires political committees to register with the Commission and file a
5 Statement of Organization within ten days of becoming a political committee, including the
6 name, address, and type of committee; the name, address, relationship, and type of any
7 connected organization or affiliated committee; the name, address, and position of the custodian
8 of books and accounts of the committee; the name and address of the treasurer of the committee;
9 and a listing of all banks, safety deposit boxes, or other depositories used by the committee. *See*
10 2 U.S.C. § 433.

11 9. Each treasurer of a political committee shall file periodic reports of the
12 committee's receipts and disbursements with the Commission. *See* 2 U.S.C. § 434(a)(1). In the
13 case of committees that are not authorized committees of a candidate for Federal office, these
14 reports shall include, *inter alia*, the amount of cash on hand at the beginning of the reporting
15 period, *see* 2 U.S.C. § 434(b)(1); the total amounts of the committee's receipts for the reporting
16 period and for the calendar year to date, *see* 2 U.S.C. § 434(b)(2); and the total amounts of the
17 committee's disbursements for the reporting period and the calendar year to date. *See* 2 U.S.C.
18 § 434(b)(4).

19 10. Pursuant to 2 U.S.C. § 441b(a), it is unlawful for any political committee to
20 knowingly accept or receive, directly or indirectly, any contribution made in connection with a
21 federal election from a corporation or labor organization.

22 11. The Act states that no person shall make contributions to any political committee
23 that is not the authorized political committee of a federal candidate that, in the aggregate, exceed

25044152791

MUR 5492
Conciliation Agreement
Page 4

1 \$5,000 in any calendar year, with an exception for political committees established and
2 maintained by a state or national political party. *See* 2 U.S.C. § 441a(a)(1)(C). Further, the Act
3 states that no political committee shall knowingly accept any contribution in violation of the
4 limitations imposed under this section. *See* 2 U.S.C. § 441a(f).

5 12. Pursuant to 2 U.S.C. § 441d(a)(3), whenever a political committee pays for
6 communications expressly advocating the election or defeat of a clearly identified federal
7 candidate through any broadcasting station, newspaper, direct mailing, or other type of general
8 public political advertising; without authorization by that candidate or committee of a candidate,
9 or its agents, such communications must contain disclaimers identifying the committee which
10 paid for the communication and also contain a statement that the communication is not
11 authorized by the named candidate or that candidate's campaign committee.

12 **2004 Election Cycle Activities**

13 13. Freedom, Inc. endorses candidates for political office on the federal, state and
14 local levels. All of Freedom, Inc.'s 2004 disbursements were in connection with three different
15 elections: a special election for Kansas City School Board and several referendums, held in April
16 (which included no federal races); the Democratic primary in August 2004 (including Cleaver's
17 congressional race); and the general election in November (again including Cleaver's
18 congressional race).

19 14. Freedom, Inc. publicizes its endorsements by creating and distributing
20 communications promoting its slate of candidates and pays for these communications by
21 collecting donations from endorsed candidates and from other sources.

MUR 5492
Conciliation Agreement
Page 5

1 15. In early 2004, Freedom, Inc. endorsed Emanuel Cleaver II, a candidate for the
2 Democratic Party's nomination for the United States House of Representatives in the 5th
3 Congressional District of Missouri.

4 16. On June 23, 2004, Emanuel Cleaver II's principal campaign committee, Cleaver
5 for Congress, made a \$10,000 contribution to Freedom, Inc.

6 17. During 2004, Freedom, Inc. spent substantially more than \$1,000 on
7 communications that expressly advocated the election of Emanuel Cleaver II to the United States
8 House of Representatives.

9 18. Freedom, Inc. made all of its 2004 disbursements in connection with election
10 campaign activity. Further, it appears that Freedom, Inc. made significant expenditures in
11 connection with Cleaver's candidacy.

12 19. On June 22, 2004, Freedom, Inc. disbursed \$2,256 to publish a newspaper
13 advertisement entitled "Voter Alert" in the Kansas City Call and the Kansas City Globe. The
14 advertisement states, "Rev. Emanuel Cleaver is running for United States Congress. He will not
15 win unless we all vote. Rev. Cleaver and other African-American candidates need your vote to
16 have any chance of winning. So, DO YOUR PART AND MAKE SURE YOU ARE ELIGIBLE
17 TO VOTE." The advertisement did not indicate whether it was authorized by a federal
18 candidate, that candidate's authorized committee, or its agents.

19 20. On various dates in June and July 2004, Freedom, Inc. disbursed approximately
20 \$20,000 for radio advertisements expressly advocating the election of Emanuel Cleaver II. The
21 first advertisement aired on a single radio station from July 3, 2004 through August 2, 2004, was
22 as follows:

26044152763

1 a. First Sharon Brooks Advertisement

2 Hello, this is Sharon Sanders Brooks, Missouri State Representative.

3 Night Hoops, Hot Summer Nights, the American Jazz Museum, the Negro
4 Leagues Baseball Museum, Brush Creek Development, 6 new community
5 centers, the Brush Creek Center, the Hill Crest Center, and the Klice
6 Climbers Center are just a few of the accomplishments of one Mayor
7 Emanuel Cleaver.

8
9 **Reverend Cleaver needs our help on August 3rd. These**
10 **accomplishments stand out as one who has a proven track record of**
11 **leadership. The African-American community is being challenged by**
12 **those who say it will not vote. Reverend Cleaver deserves to go to**
13 **Congress, but he cannot do it without you. Tell a friend that August 3rd**
14 **is important to this community. We can do it, I know we can.**

15
16 His opponent just moved back into the community. Mayor Cleaver has
17 long been a part and active in this community. I'm Sharon Sanders
18 Brooks and I ask that you vote for both of us on August the 3rd and the
19 entire Freedom Incorporated ticket.

20 Paid for by Freedom Incorporated, William Carson, Treasurer.

21
22
23 (emphasis added). Because the advertisement also mentions a nonfederal candidate, the \$5,000
24 cost of this advertisement must be allocated.

25 Additional radio advertisements aired by Freedom, Inc., at a cost of approximately
26 \$15,000, during July and August 2004 were as follows:¹

27 b. Al Brooks Advertisement

28 Hello, this is Al Brooks, Mayor Pro Tem and City Councilman, 6th
29 District at large.

30
31 Tuesday, August 3rd, is an important day for Kansas City and all who
32 reside in the 5th Congressional District. August 3rd is the Democratic
33 primary. **Former Mayor Cleaver is our candidate for the 5th**
34 **Congressional District seat. He has served and represented us for more**

¹ The available Freedom, Inc. records make it difficult to determine how many times each of the specific advertisements set forth below were aired during this period. Some radio invoices were simply labeled with the name "Cleaver" without an indication as to whether it was an ad that mentioned only Cleaver or one of the advertisements that also mention nonfederal candidates.

MUR 5492
Conciliation Agreement
Page 7

1 than twenty years. Mayor Cleaver has many successes, which include
2 building bridges between racial, religious, ethnic and socio-economic
3 groups. His accomplishments also include the building of six community
4 centers, including Brush Creek, Hillcrest, and Klice Climbers, the Paseo
5 Boulevard, 18th and Vine, and a bus terminal and child-development
6 center at 39th and Truth.

7
8 **Mayor Cleaver is a prominent leader and will represent everyone,**
9 **especially you. On August 3rd, vote for former Mayor Emanuel**
10 **Cleaver for 5th Congressional District.**
11

12
13 c. Melba Curls Advertisement

14 Hello, this is State Representative Melba Curls from the 41st District. I
15 urge you to vote in one of the most important primaries this city has ever
16 seen. We need at least 35,000 voters in the African-American community
17 to go to the polls.
18

19 Vote Governor Bob Holden, who has worked for Missourians in spite of
20 hostile conditions in the Republican-led Missouri House and Senate.
21

22 **Vote Reverend Emanuel Cleaver for Congress, 5th District.** Don't
23 believe the negative ads and innuendos. Cleaver has been elected time
24 after time to serve our city because he cares and lives here.
25

26 Vote Yvonne Wilson, State Senate, 9th District. My hard-working
27 colleague will work harder for you in the Senate.
28

29 **Remember, vote August 3rd. Vote the entire Freedom, Inc. team.**
30

31
32 d. Harold "Doc" Holiday Advertisement

33 Attention: This is an African-American alert. This is an African-
34 American alert. This is Harold "Doc" Holiday.
35

36 **On August 3, our community has the opportunity to elect Emanuel**
37 **Cleaver congressman to the 5th Congressional District. But we all**
38 **must vote.** Emanuel Cleaver, during his twenty-five years of public
39 service, has served with honesty, concern, compassion, integrity, and
40 intensity. Millions of dollars of development has taken place in our
41 community because of Emanuel Cleaver, including Brush Creek re-
42 development, community centers such as Hillcrest, Klice Climber, Brush
43 Creek and the 18th and Vine project, just to name a few.

26044152765

MUR 5492
Conciliation Agreement
Page 8

1
2 On the other hand, Emanuel's opponent has lived in Washington, D.C. for
3 the last fifteen years, has received hundreds of thousands of dollars of
4 campaign contributions from outside the 5th District . . . in fact, from
5 outside the state of Missouri. And his contributions to our community has
6 been as follows: (silence). On August 3, we all must make this happen
7 and we all must vote. Take your mama to the polls, your daddy, your
8 brother, your sister, your auntie, your uncle, your cousin, your baby's
9 mama, but we all must go to the polls August 3 and vote the entire
10 Freedom, Inc. Democratic ballot.
11
12

13 c. Mary Bland Advertisement

14 Voting is a right. Voting for the right candidate is a responsibility. Hello,
15 this is [State] Senator Mary Groves Bland asking you to be responsible
16 and vote for the right candidate.
17

18 Reverend Emanuel Cleaver, a proven leader, whose records speak for him.
19 **Reverend Cleaver is the right candidate for our 5th Congressional**
20 **District** because he loves serving people, and most importantly, Cleaver
21 has shown his leadership and ability to work with other mayors and
22 leaders within the 5th Congressional District. Cleaver has lived in Kansas
23 City and the 5th Congressional District for years and knows the needs and
24 concerns of the District. His leadership will take the 5th Congressional
25 District to a higher level of service. **You can count on Reverend**
26 **Cleaver. Can he count on you?**
27

28 **Please support the Freedom team: Reverend Emanuel Cleaver, 5th**
29 **Congressional District; Representative Yvonne Wilson, 9th Senatorial**
30 **District; Representative Sharon Sanders Brooks, 37th District; Leonard**
31 **Jonas Hughes, 42nd District; Michael Brown, 50th District; and the entire**
32 **Freedom team. You can count on Reverend Cleaver. Can he count on**
33 **you, Tuesday, August 3rd?**
34
35

36 f. Reverend Nelson "Fuzzy" Thompson Advertisement

37 This is Reverend Fuzzy Thompson. On August 3rd, Kansas City will hold
38 an historic election. The future of our community is at stake. Many forces
39 are at work to divide and conquer our community, forces which are
40 counting on us not voting. Let's come together and prove them all wrong.
41 **Vote the entire Freedom, Inc. team: Bob Holden, Emanuel Cleaver II,**
42 **Yvonne Wilson, Leonard Jonas Hughes, Michael Brown, and all the**

26044152766

MUR 5492
Conciliation Agreement
Page 9

1 Freedom ballot. Vote "yes" on Amendment 1 and "yes" on Question 1,
2 the Downtown Arena.

3
4 Thank you for your support. For a ride to the polls, call 483-8683.

5
6 Paid for by Freedom, Inc.

7
8
9 g. Second Sharon Sanders Brooks Advertisement

10 Hello, this is Sharon Sanders Brooks, Missouri State Representative,
11 District 37.

12
13 On Tuesday, August 3, Reverend Emanuel Cleaver needs your vote in
14 the Democratic primary for Missouri's 5th Congressional District.
15 Missouri's 5th District includes the cities of Belton, Kansas City, Lee's
16 Summit, Raymore, and parts of Grand View, Independence, Peculiar, and
17 Sugar Creek.

18
19 In Congress, Reverend Cleaver will work on legislation to extend
20 unemployment benefits to twenty-six weeks. He will also seek full
21 funding for the No Child Left Behind Act. Remember, Tuesday, August
22 3rd, is Emanuel Cleaver's November. He must win the primary in
23 order to be on the ballot in November.

24
25 Vote the entire Freedom, Inc. ticket on Tuesday, August 3rd : Yvonne
26 S. Wilson, Missouri Senate; Michael Brown, the 50th District; and Jonas
27 Hughes, the 42nd District.

28
29 These radio advertisements did not indicate whether or not they were authorized by a
30 federal candidate, a candidate's authorized committee, or its agents.

31 21. In June and July 2004, Freedom, Inc. disbursed \$2,256 for a newspaper
32 advertisement containing express advocacy for the election of Emanuel Cleaver. The
33 advertisement ran as a full-page ad in two separate Kansas City newspapers on or about
34 July 16, 2004. The advertisement has a banner across the top that states, "Vote the Entire
35 Freedom Ballot Tuesday August 3rd." The remainder of the ad is separated into three

20044152767

MUR 5492
Conciliation Agreement
Page 10

1 columns. The first column contains a letter from Mark Bryant, President of Freedom,

2 Inc. Bryant writes,

3 All too often we wait until the November general election, to cast our
4 vote. In Jackson County, the real election is the AUGUST PRIMARY.
5 Jackson County is the stronghold of the Democratic Party. Whoever wins
6 the August Democratic primary election will generally win the November
7 general election. Please understand what I am saying—if just 35,000
8 African-Americans vote, Emanuel Cleaver wins! If not, those who
9 assume we are complacent voters, will win hands down!

10
11 On Tuesday, August 3rd, you get to decide who you want to represent your
12 interest in many important offices and especially the United States House
13 of Representatives.

14
15 The contrast between the two candidates is stark. Emanuel Cleaver served
16 three, four-year terms on the City Council. He served two, four-year
17 terms as Mayor. Cleaver's opponent is a "carpetbagger." Simply stated,
18 he has not lived in this community for twenty-five years.

19
20 Make no mistake about it. There are people in the Fifth Congressional
21 District who are willing to overlook the shortcomings of Cleaver's
22 opponent, simply because Emanuel Cleaver is African-American.

23
24 On August 3rd, make it a family affair. Get every registered voter in your
25 entire family out of the house and GO VOTE!

26
27 Support the bridge that brought us across.
28 (Emphasis in original)

29
30 At the top of the second column of the advertisement there are pictures of two candidates, including

31 Representative Cleaver. Below the pictures is a slate of candidates endorsed by Freedom, Inc.

32 Finally, the third column has the signatures of several of the candidates and/or state officeholders.

33 Representative Cleaver is not among those whose signature appears. The advertisement did not

34 indicate whether it was authorized by a candidate, a candidate's authorized committee, or its agent.

20044152768

MUR 5492
Conciliation Agreement
Page 11

22. On July 17, 2004, Freedom, Inc. disbursed \$2,580 for yard signs advocating the election of Emanuel Cleaver. The signs did not indicate whether they had been authorized by a candidate, a candidate's authorized committee, or its agents.

23. On July 29, 2004, Freedom, Inc. disbursed \$957.56 for a door hanger endorsing a slate of nine preferred candidates, including Emanuel Cleaver, running in the August 3, 2004 Democratic primary. The door hanger contained pictures giving extra prominence to Emanuel Cleaver and two nonfederal candidates. The advertisement did not indicate whether it was authorized by a candidate, a candidate's authorized committee, or its agents.

24. On or about August 10, 2004, Freedom, Inc. disbursed \$15,891.50 to Ramsey and Associates for the prior production of a primary voter guide containing express advocacy for the election of Emanuel Cleaver. The voter guide is titled "Primary Election: Tuesday, August 3, 2004" and states, "Vote the Entire Freedom, Inc. Ballot" and includes four pictures of Cleaver referring to him as candidate for House. It also states that "Emanuel Cleaver is a man who understands what it takes to keep communities viable. His commitment to education will ensure that every student is equipped to succeed. Please cast your vote for Emanuel Cleaver, for US Representative." The voter guide also endorsed Nancy Farmer, a candidate for the U.S. Senate. The voter guide did not indicate whether it was authorized by a candidate, a candidate's authorized committee, or its agents. Freedom, Inc. also incurred over \$12,000 in mailing expenses in connection with this voter guide.

25. The majority of Freedom, Inc.'s disbursements during the period surrounding the two elections in which Emanuel Cleaver was on the ballot (the August 2004 Democratic primary and the November 2004 general election) were for allocable federal/nonfederal activities. Each of these disbursements would include a federal component that would constitute additional

20044152769

MUR 5492
Conciliation Agreement
Page 12

1 expenditures under the Act. For example, on or about August 5, 2004 Freedom, Inc. disbursed
2 \$11,000 for a phone bank in connection with the Democratic primary election. Freedom, Inc.
3 also disbursed \$10,765 for poll workers in connection with the August 2004 Democratic
4 primary. In addition, Freedom, Inc. disbursed more than \$2,500 for food and shirts that appear
5 to have been provided to GOTV campaign workers in connection with the August 2004
6 Democratic primary. In addition, Freedom, Inc. disbursed more than \$6,500 to consultants for
7 Campaign Coordination and Field Coordination in the month prior to the August 2004
8 Democratic primary.

9 26. On or about August 10, 2004, Freedom, Inc. disbursed \$995 for a newspaper
10 advertisement thanking voters for supporting the Freedom, Inc. Ballot in the Democratic primary
11 election, making specific mention of Emanuel Cleaver's candidacy for Congress, which also
12 urged voters to "cast your vote again [in the General Election], to ensure that democratic
13 candidates on federal and state levels are elected to many important and influential offices." The
14 advertisement did not indicate whether it was authorized by a candidate, a candidate's authorized
15 committee, or its agents.

16 Prohibited and Excessive Contributions

17 27. On June 23, 2004, Freedom, Inc. accepted two corporate contributions in the
18 amounts of \$15,000 and \$10,000 from American Tri-Star, Inc. and Pyramid Construction,
19 respectively. Once it became a political committee, as defined by the Act, it was no longer
20 permissible for Freedom, Inc. to accept corporate contributions, except into a nonfederal account.

21 28. On July 29, 2004, Freedom, Inc. accepted a union contribution in the amount of
22 \$10,000 from the American Federation of State County and Municipal Employees, AFL-CIO.

26044152770

MUR 5492
Conciliation Agreement
Page 13

1 Once it became a political committee, as defined by the Act, it was no longer permissible for
2 Freedom, Inc. to accept union contributions, except into a nonfederal account.

3 29. In 2004, Freedom, Inc. accepted \$55,000 in contributions that exceeded the
4 \$5,000 limit the Act establishes for nonconnected multi-candidate political committees in
5 connection with contributions from the following donors:

6	7/15/04	Leadership for a Stronger City	\$15,000
7	7/22/04	Davie Dethune & Jones LLC	\$10,000
8			
9	7/22/04	Integrity In Law Enforcement	\$10,000
10			
11	7/29/04	Schlichter Bogard & Denton	\$15,000
12			
13	7/30/04	Leadership for a Stronger City	\$10,000
14			
15	7/30/04	Leadership for a Stronger City	\$10,000
16			
17	7/30/04	Citizens for a Downtown Arena	\$10,000
18			

19 Once it became a political committee, as defined by the Act, it was no longer permissible for
20 Freedom, Inc. to accept contributions in excess of the limits contained in the Act, except into a
21 nonfederal account.

22 30. Freedom, Inc. contends that it did not intend to violate the Act when it engaged in
23 the above-described conduct. Freedom, Inc. had no permanent staff, relied extensively on
24 volunteer support, and conducted its activities under the legal framework established for a
25 Missouri nonfederal political committee, while being unfamiliar with the Act's separate
26 requirements. The Freedom, Inc. communications expressly advocating the election of Mr.
27 Cleaver to federal office were also viewed as having the potential to motivate support for state
28 and local candidates through identification with him.

29

26094152771

V. Freedom, Inc. violated the Act in the following ways:

1. Freedom, Inc. violated 2 U.S.C. §§ 433 and 434 by not registering and reporting as a political committee.

2. Freedom, Inc. violated 2 U.S.C. § 441b(a) by accepting \$25,000 in prohibited corporate contributions and \$10,000 in prohibited union contributions.

3. Freedom, Inc. violated 2 U.S.C. § 441a(f) by accepting \$50,000 in excessive contributions.

4. Freedom, Inc. violated 2 U.S.C. § 441d for not including complete disclaimers on communications containing express advocacy for a federal candidate.

VI. 1. Respondents will pay a civil penalty of \$45,000 to the Federal Election Commission pursuant to 2 U.S.C. § 437g(a)(5)(B).

2. Respondents will cease and desist from violating 2 U.S.C. §§ 433, 434, 441b(a), 441a(f) and 441d.

3. Respondents acknowledge that, to make the expenditures described above, they were required to create a separate account, register that account with the Commission as a political committee, designate a treasurer, and conduct their activities subject to the Commission's allocation regulations. Freedom, Inc. states that it has no present intention to accept contributions or make expenditures, pursuant to the Act, in connection with future federal election, therefore, to settle this matter, and to complete the public record, Respondents, in lieu of registering and filing disclosure reports in the electronic format required by applicable regulations, will provide the Commission with complete copies of the Missouri Ethics Commission reports that it has filed from January 1, 2003 until the effective date of this Agreement; will supplement those reports, as necessary, to disclose information regarding all receipts and disbursements received and made, respectively, during that time period; will submit

MUR 5492
Conciliation Agreement
Page 15

1 a chart containing a summary of its aggregate receipts and disbursements for 2004, 2005, and the
2 first half of 2006; and will certify the accuracy and completeness of all such information.

3 4. In the future, Respondents will not receive contributions or makes
4 expenditures, as defined by the Act, aggregating in excess of \$1,000 during a calendar year
5 without registering with the Commission as a political committee. See 2 U.S.C. § 431(4)(A).

6 VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.
7 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance
8 with this agreement. If the Commission believes that this agreement or any requirement thereof
9 has been violated, it may institute a civil action for relief in the United States District Court for
10 the District of Columbia.

11 VIII. This agreement shall become effective as of the date that all parties hereto have
12 executed same and the Commission has approved the entire agreement.

13 IX. Respondents shall have no more than 30 days from the date this agreement
14 becomes effective to comply with and implement the requirements contained in this agreement
15 and to so notify the Commission, with the exception of the payment of the civil penalty, for
16 which Respondents shall have no more than 30 days from the effective date of the agreement to
17 provide fifty percent of the total civil penalty amount, and 90 days from the effective date of the
18 agreement to provide the remaining fifty percent of the total civil penalty amount.

28044152773

MUR 5492
Conciliation Agreement
Page 16

1 X. This Conciliation Agreement constitutes the entire agreement between the parties on the
2 matters raised herein, and no other statement, promise, or agreement, either written or oral, made
3 by either party or by agents of either party, that is not contained in this written agreement shall
4 be enforceable.

5
6 FOR THE COMMISSION:

7 Lawrence H. Norton
8 General Counsel
9

10
11
12 10/19/06
13 Date

BY: Rhonda J. Vosdigh
Rhonda J. Vosdigh
Associate General Counsel

14
15
16
17 FOR THE RESPONDENTS:

18 9-14-06
19 Date

Mark Bryant
(NAME) MARK BRYANT
(POSITION) PRESIDENT
Freedom, Inc.